

FY2023 3rd Quarter Consolidated Financial Results [IFRS] (April 1, 2023 through December 31, 2023)

(English translation extracted from the original Japanese document)

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 Scheduled date to file quarterly securities report: February 13, 2024
 Scheduled Date to commence dividend payments: None
 Preparation of supplementary material on quarterly Financial Results : None
 Holding of quarterly financial results briefing: None

(Note: All amounts less than one million yen is rounded off)

1. Consolidated Financial Results for the 3rd Quarter of FY2023 (April 1, 2023 to December 31, 2023)

(1) Consolidated Operating Results (cumulative) (Percentage of change from previous year)

	Revenue		Operating Profit		Profit before Tax		Profit		Profit Attributable to Owners of Parent		Total Comprehensive Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
FY2023 Q3	231,881	8.7	11,527	32.7	12,627	23.7	8,835	20.5	8,206	19.2	13,983	38.6
FY2022 Q3	213,335	12.8	8,684	(31.3)	10,205	(22.8)	7,331	(22.4)	6,884	(19.1)	10,087	(18.6)

	Basic Earnings per Share		Diluted Earnings per Share	
	Yen		Yen	
FY2023 Q3	174.74		-	
FY2022 Q3	146.64		-	

(2) Consolidated Financial Position

	Total Assets	Total Equity	Equity Attributable to Owners of Parent	Ratio for Equity Attributable to Owners of Parent
	Million Yen	Million Yen	Million Yen	%
FY2023 Q3	333,871	247,679	233,287	69.9
FY2022	331,875	239,901	225,563	68.0

2. Dividends

	Annual Dividends per Share				
	1 st Quarter	2 nd Quarter	3 rd Quarter	Fiscal Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2022	-	45.00	-	45.00	90.00
FY2023	-	60.00	-	-	-
FY2023 (Forecast)	-	-	-	60.00	120.00

(Note) Revisions of dividend forecast from recently announced figures: None

3. FY2023 Consolidated Financial Forecast (April 1, 2023 to March 31, 2024)

(Percentage of change from previous year)

	Revenue		Operating Profit		Income before Income Taxes		Profit Attributable to Owners of Parent		Basic Earnings Per Share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
FY2023	310,000	8.5	13,000	48.4	14,000	41.2	9,000	96.1	191.64

(Note) Revisions of financial forecast from recently announced figures: None

※ General Notes

(1) Changes in important subsidiaries during the period

(Changes in specified subsidiaries due to changes in the scope of consolidation): Yes

New :1 company (name) Allegis LS 2023-10, a series of CGF2021 LLC, Excluded: - (name) -

(2) Changes in Accounting Policies, Accounting Estimations

① Changes in accounting policies required by IFRS : None

② Changes in accounting policies except ① : None

③ Changes in accounting estimates : None

(Note) For the details, refer to attachment p.10 "2. Quarterly Consolidated Financial Statements and Principal Notes (4) Notes on Quarterly Consolidated Financial Statements"

(3) Number of Outstanding Shares (Ordinary shares)

①Number of shares outstanding at the end of period (including treasury shares)	FY2023 Q3	48,593,736 shares	FY2022 Q4	48,593,736 shares
②Number of treasury shares at the end of period	FY2023 Q3	1,627,629 shares	FY2022 Q4	1,639,537 shares
③Average number of ordinary shares outstanding during the period	FY2023 Q3	46,960,316 shares	FY2022 Q3	46,942,795 shares

(Note) The shares held within the ESOP trust accounts (FY2023 Q3: 81,200 shares, FY2022 Q4: 89,800 shares) are included in the number of Treasury Shares at the end of period. Furthermore, the shares held within the ESOP trust accounts are included in Treasury Shares that are deducted in the calculation of the average number of shares for the period. (FY2023 Q3 : 85,690 shares, FY2022 Q3 : 94,880 shares)

※ Quarterly financial statements are not subject to quarterly reviews by certified accountants or audit corporations.

※ Regarding the appropriate use of Financial forecasts and other information

The above forecast is based on the information available, or the assumptions which the company thinks reasonable as of the release of this report. Actual results might be different from the above estimates due to subsequent changes in circumstances.

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1. Qualitative Information on Quarterly Financial Results.

(1) Explanation of Operating Results

In the Third quarter of the current consolidated cumulative period, the revenue increased due to increase in orders mainly in the AT (Automatic Automotive Drivetrain related business) segment, as well as passing on raw material price increase to the selling price, and the impact of foreign exchange conversion due to depreciation of the yen. In terms of profits, Operating profit increased due to increase in sales despite higher costs caused by high inflation etc.

The results for the third quarter of the current consolidated cumulative period were, Revenue ¥ 231.9 billion (increased by 8.7% from the same period of the previous fiscal year), Operating profit ¥ 11.5 billion (increased by 32.7% from the same period of the previous fiscal year), Profit before tax ¥ 12.6 billion (increased by 23.7% from the same period of the previous fiscal year), Profit attributable to owners of the parent company was ¥8.2 billion (increased by 19.2% from the same period of the previous fiscal year).

<Segment Information>

The summary by type of reportable segment is as follows.

[MT (Manual Automotive Drivetrain related business)]

Revenue was ¥53.0 billion (decreased by 0.3% from the same period of the previous fiscal year). Segment profit was ¥6.2 billion (decreased by 2.7% from the same period of the previous fiscal year) due to higher costs caused by high inflation etc., and due to decrease in order.

[AT (Automatic Automotive Drivetrain related business)]

Revenue was ¥152.9 billion (increased by 12.6% from the same period of the previous fiscal year). This was due to increase in orders, as well as passing on raw material price increase to the selling price, and the impact of foreign exchange conversion due to depreciation of the yen. The segment profit was ¥4.6 billion (increased by 350.1% from the same period of the previous fiscal year) due to increase in sales, despite higher costs caused by high inflation etc.

[TS (Industrial machine Drivetrain operations)]

Revenue was ¥11.1 billion (increased by 7.8% from the same period of the previous fiscal year). Segment profit was ¥1.6 billion (increased by 43.4% from the same period of the previous fiscal year), due to increase in sales and cost reduction efforts.

[Others]

Revenue was ¥14.8 billion (increased by 5.5% from the same period of the previous fiscal year). Segment profit was ¥0.8 billion (increased by 22.0% from the same period of the previous fiscal year) due to increased sales of motorcycle clutches in the ASEAN region and cost reduction efforts.

<Location Information>

The summary by location is as follows.

[Japan]

Revenue was ¥96.0 billion (increased by 4.6% from the same period of the previous fiscal year). Operating profit was ¥7.1 billion (increased by 49.7% from the same period of the previous fiscal year) due to increase in sales by passing on raw material price increase to the selling price.

[Americas]

Revenue was ¥43.3 billion (increased by 16.6% from the same period of the previous fiscal year). Despite revenue increased by the impact of exchange conversion due to depreciation of the yen, the operating loss was ¥2.4 billion (¥0.9 billion operating loss in the same period of the previous year) due to higher costs caused by productivity decline and high inflation etc.

[Asia and Oceania]

Revenue was ¥84.4 billion (increased by 8.0% from the same period of the previous fiscal year). This was due to increase in orders, as well as passing on raw material price increase to the selling price, and the impact of foreign exchange conversion due to depreciation of the yen. Operating profit was ¥6.3 billion (increased by 18.0% from the same period of the previous fiscal year) due to increase in sales.

[Others]

Revenue was ¥8.3 billion (increased by 30.3% from the same period of the previous fiscal year). Operating profit was ¥0.5 billion (increased by 99.5% from the same period of the previous fiscal year) due to increase in sales.

(2) Explanation of Financial Position.

In terms of the assets at the end of this third quarter consolidated accounting period, the total assets were ¥333.9 billion (¥331.9 billion at the end of the previous consolidated fiscal year), it increased by ¥2.0 billion (0.6%) from the end of the previous fiscal year. The main contents are ¥3.9 billion increase in Other financial assets, ¥2.2 billion increase in Investments in Equity Instruments, ¥1.6 billion increase in Trade and other receivables, 5.1 billion decrease in Tangible fixed assets mainly due to progress in depreciation, and ¥0.8 billion decrease in Cash and cash equivalents mainly due to interim dividend payment.

Total liabilities were ¥86.2 billion (¥92.0 billion at the end of the previous consolidated fiscal year), it decreased by ¥5.8 billion (6.3%) from the end of the previous fiscal year. The main contents are ¥3.9 billion decrease in corporate Bonds and borrowings, and ¥2.1 billion decrease in Trade and other payables.

Total equity was ¥247.7 billion (¥239.9 billion in the previous consolidated fiscal year), it increased by ¥7.8 billion (3.2%) from the end of the previous fiscal year. The main contents are ¥4.4 billion increase in Other components of equity due to increase in the conversion difference of foreign operation due to depreciation of the yen and ¥3.3 billion increase in Retained earnings (¥8.2 billion increase due to Profit attributable to owners of the parent company, and ¥4.9 billion decrease due to Appropriation of surplus (dividend)).

(3) Explanation of Forecast of Consolidated Financial Results and Other Forward-Looking Information

There is no change in the consolidated financial forecast for the fiscal year ending March 31, 2024, which was announced on October 30, 2023.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Statement of Financial Position

	As of March 31, 2023	As of December 31, 2023
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	59,538	58,707
Trade and other receivables	53,929	55,499
Other financial assets	2,155	6,071
Inventories	44,198	44,570
Other current assets	3,634	2,902
Total current assets	163,454	167,751
Non-current assets		
Property, plant and equipment	154,632	149,507
Goodwill and intangible assets	2,939	2,714
Investments accounted for using equity method	272	1,059
Investments in Equity Instruments	1,810	4,029
Other financial assets	96	89
Deferred tax assets	6,366	6,408
Retirement benefit asset	1,206	1,217
Other non-current assets	1,100	1,097
Total non-current assets	168,421	166,120
Total assets	331,875	333,871

	As of March 31, 2023	As of December 31, 2023
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	8,228	5,430
Trade and other payables	37,789	35,680
Other financial liabilities	545	626
Income taxes payable	1,664	923
Employee benefits accruals	2,336	2,404
Provisions	2,186	2,099
Other current liabilities	3,379	3,559
Total current liabilities	56,127	50,720
Non-current liabilities		
Bonds and borrowings	25,423	24,332
Other financial liabilities	1,076	1,049
Retirement benefit liability	6,609	6,734
Deferred tax liabilities	697	1,020
Other non-current liabilities	2,042	2,337
Total non-current liabilities	35,848	35,472
Total liabilities	91,975	86,192
Equity		
Share capital	8,284	8,284
Capital surplus	7,541	7,540
Treasury shares	(3,709)	(3,682)
Other components of equity	10,639	15,062
Retained earnings	202,808	206,083
Total equity attributable to owners of parent	225,563	233,287
Non-controlling interests	14,338	14,392
Total equity	239,901	247,679
Total liabilities and equity	331,875	333,871

(2) Quarterly Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
(Quarterly Consolidated Statement of Income)

	FY2022 3rd Quarter (April 1, 2022 through December 31, 2022)	FY2023 3rd Quarter (April 1, 2023 through December 31, 2023)
	Millions of yen	Millions of yen
Revenue	213,335	231,881
Cost of sales	181,131	193,320
Gross profit	32,205	38,561
Selling, general and administrative expenses	24,662	27,103
Other income	2,065	746
Other expenses	923	677
Operating profit	8,684	11,527
Finance income	2,188	1,874
Finance costs	725	819
Share of profit of investments accounted for using equity method	58	46
Profit before tax	10,205	12,627
Income tax expense	2,874	3,792
Profit	7,331	8,835
Profit attributable to		
Owners of parent	6,884	8,206
Non-controlling interests	447	629
Profit	7,331	8,835
Earnings per share		
Basic and diluted earnings per share	146.64	174.74

(Quarterly Consolidated Statement of Comprehensive Income)

	FY2022 3rd Quarter (April 1, 2022 through December 31, 2022)	FY2023 3rd Quarter (April 1, 2023 through December 31, 2023)
	Millions of yen	Millions of yen
Profit	7,331	8,835
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	(87)	176
Total of items that will not be reclassified to profit or loss	(87)	176
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	2,843	4,967
Share of other comprehensive income of investments accounted for using equity method	0	5
Total of items that may be reclassified to profit or loss	2,844	4,972
Total other comprehensive income	2,756	5,148
Comprehensive income	10,087	13,983
Comprehensive income attributable to		
Owners of parent	9,152	12,629
Non-controlling interests	935	1,355
Comprehensive income	10,087	13,983

(3) Quarterly Consolidated Statement of Changes in Equity

Previous third quarter consolidated cumulative period

(April 1, 2022 through December 31, 2022)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Exchange differences on translation of foreign operations	Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	Total
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balance as of April 1, 2022	8,284	7,555	(3,768)	7,274	250	7,524
Profit for the period	-	-	-	-	-	-
Other comprehensive income	-	-	-	2,355	(87)	2,268
Comprehensive income	-	-	-	2,355	(87)	2,268
Purchase of treasury shares	-	-	(0)	-	-	-
Disposal of treasury shares	-	(15)	59	-	-	-
Dividends of surplus	-	-	-	-	-	-
Share-based remuneration transactions	-	(7)	-	-	-	-
Transfer to retained earnings	-	-	-	-	(329)	(329)
Total transactions with owners	-	(22)	59	-	(329)	(329)
Total changes in equity	-	(22)	59	2,355	(417)	1,939
Balance as of December 31, 2022	8,284	7,534	(3,709)	9,629	(167)	9,463

	Equity attributable to owners of parent		Non-controlling interests	Total
	Retained earnings	Total		
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2022	202,160	221,756	14,267	236,023
Profit for the period	6,884	6,884	447	7,331
Other comprehensive income	-	2,268	488	2,756
Comprehensive income	6,884	9,152	935	10,087
Purchase of treasury shares	-	(0)	-	(0)
Disposal of treasury shares	-	44	-	44
Dividends of surplus	(4,459)	(4,459)	(1,350)	(5,809)
Share-based remuneration transactions	-	(7)	-	(7)
Transfer to retained earnings	329	-	-	-
Total transactions with owners	(4,130)	(4,422)	(1,350)	(5,772)
Total changes in equity	2,754	4,730	(415)	4,315
Balance as of December 31, 2022	204,915	226,486	13,852	240,338

Current third quarter consolidated cumulative period
(April 1, 2023 through December 31, 2023)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Exchange differences on translation of foreign operations	Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	Total
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balance as of April 1, 2023	8,284	7,541	(3,709)	11,454	(815)	10,639
Profit for the period	-	-	-	-	-	-
Other comprehensive income	-	-	-	4,247	176	4,423
Comprehensive income	-	-	-	4,247	176	4,423
Purchase of treasury shares	-	-	(0)	-	-	-
Disposal of treasury shares	-	2	27	-	-	-
Dividends of surplus	-	-	-	-	-	-
Share-based remuneration transactions	-	(2)	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-
Total transactions with owners	-	0	27	-	-	-
Total changes in equity	-	0	27	4,247	176	4,423
Balance as of December 31, 2023	8,284	7,540	(3,682)	15,701	(639)	15,062

	Equity attributable to owners of parent		Non-controlling interests	Total
	Retained earnings	Total		
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2023	202,808	225,563	14,338	239,901
Profit for the period	8,206	8,206	629	8,835
Other comprehensive income	-	4,423	725	5,148
Comprehensive income	8,206	12,629	1,355	13,983
Purchase of treasury shares	-	(0)	-	(0)
Disposal of treasury shares	-	29	-	29
Dividends of surplus	(4,931)	(4,931)	(1,301)	(6,232)
Share-based remuneration transactions	-	(2)	-	(2)
Transfer to retained earnings	-	-	-	-
Total transactions with owners	(4,931)	(4,904)	(1,301)	(6,205)
Total changes in equity	3,275	7,725	54	7,778
Balance as of December 31, 2023	206,083	233,287	14,392	247,679

(4) Notes on Quarterly Consolidated Financial Statements

(Notes for Going Concern)

Not applicable

(Change in Accounting Policy)

Not applicable

(Change in Accounting Estimate)

Not applicable

(Segment Information)

(1) Overview of Reportable Segments

The reportable segments are components of business activities for which discrete, and such information is regularly reviewed by the Company's Board of Directors to make decisions about the allocation of resources and assess its performance.

The Company and its consolidated subsidiaries are mainly engaged in the manufacture and sale of automotive parts. From the aspects of function, technological specification and productive structure, the product lines of the Company are classified roughly into 3 group, "Manual Transmission Parts", "Automatic Transmission Parts" and "Industrial machine Drivetrain Parts". The Company, in corporation with its consolidated subsidiaries, design business strategy and conduct business for these 3 product lines inside Japan and overseas. Accordingly, the reportable segments of the Company are composed of 3 segments, "MT (Manual Automotive Drivetrain related business)" which manufactures and sells Manual Transmission Parts, "AT (Automatic Automotive Drivetrain related business)" which manufactures and sells Automatic Transmission Parts and "TS (Industrial machine Drivetrain operations)" which manufactures and sells parts for construction machinery and industrial vehicles

The segment information for the third quarter of the previous fiscal year is disclosed based on the reporting segment classification for the third quarter of the current fiscal year.

(2) Information of Revenue, Profit and Loss by Segment and The Amount of Other Important Items.

Previous third quarter consolidated cumulative period (April 1, 2022 to December 31, 2022)

(Million Yen)

	Reportable Segment				Other (Note 1)	Adjustments (Note 4)	Consolidated
	MT	AT	TS	Total			
Revenue							
External Customers	53,204	135,799	10,340	199,343	13,993	-	213,335
Intersegments (Note 2)	230	445	40	715	4,095	(4,810)	-
Total	53,435	136,243	10,380	200,058	18,087	(4,810)	213,335
Segment Profit (Note 3)	6,329	1,028	1,117	8,474	639	(428)	8,684
Finance Income							2,188
Finance Costs							725
Share of profit of investments accounted for using equity method							58
Profit before Tax							10,205

(Note) 1. Other includes businesses which is not part of any of the reportable segments, and contain clutches for motorcycle operation, transport operation, etc.

2. Amount of intersegments transactions is based on market price.

3. Segment profit is based on operating profit on quarterly consolidated income statement.

4. Elimination of intersegment transactions and corporate expenses are included in adjustments.

Current third quarter consolidated cumulative period (April 1, 2023 to December 31, 2023)

(Million Yen)

	Reportable Segment				Other (Note 1)	Adjustments (Note 4)	Consolidated
	MT	AT	TS	Total			
Revenue							
External Customers	53,048	152,933	11,143	217,124	14,757	-	231,881
Intersegments (Note 2)	217	446	47	710	3,983	(4,694)	-
Total	53,265	153,379	11,190	217,835	18,740	(4,694)	231,881
Segment Profit (Note 3)	6,159	4,625	1,602	12,386	779	(1,638)	11,527
Finance Income							1,874
Finance Costs							819
Share of profit of investments accounted for using equity method							32
Profit before Tax							12,627

(Note) 1. Other includes businesses which is not part of any of the reportable segments, and contain clutches for motorcycle operation, transport operation, etc.

2. Amount of intersegments transactions is based on market price.

3. Segment profit is based on operating profit on quarterly consolidated income statement.

4. Elimination of intersegment transactions and corporate expenses are included in adjustments.